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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF)
SULPHUR SPRINGS VALLEY ELECTRIC)
COOPERATIVE, INC. FOR APPROVAL OF ITS)
ELECTRIC ENERGY EFFICIENCY)
IMPLEMENTATION PLAN FOR 2012 AND 2013.)

DOCKET NO. E-01575A-11-0223

AMENDMENT TO
APPLICATION

Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or the "Cooperative") submits the following amendment to the Electric Energy Efficiency ("EE") Implementation Plan for 2012 and 2013 ("2012-2013 EE Plan") filed on May 31, 2011.

In Decision No. 73257, dated July 30, 2012, the Arizona Corporation Commission granted Graham County Electric a waiver from meeting the cumulative EE rule requirement of 16.50 percent. The Cooperative requests a waiver from the cumulative EE rule requirements for the reasons stated below.

There has been an ACC approved Energy Efficiency or DSM program in place at SSVEC since 1993. SSVEC has filed semi-annual reports, documenting the programs costs and the savings to the members, to the ACC for review and approval. Since 1993 SSVEC has "picked the low hanging fruit" which is validated by SSVEC having an average monthly kWh consumption lower than the national average for residential consumers. In the EE rules, SSVEC cannot take credit for the cumulative savings from prior programs until 2016 and then only a portion of what SSVEC achieved between 2000 and 2010. This completely ignores the savings SSVEC achieved between 1993 and 2000. SSVEC is further hindered by the fact that SSVEC will not receive ACC

1 approval for its 2012-2013 until the fall of 2012. SSVEC requested five (5) new DSM programs
2 to launch in 2012 that will not be effective until 2013 making it even harder to reach the
3 percentage of kWh savings set forth in the EE rules.

4 The EE rules require the Cooperative to achieve an EE savings of 0.94% in 2011 and
5 2.25% in 2012 and 3.75% in 2013. The 2011 report to the ACC shows that SSVEC only achieved
6 0.029% in 2011, and projects savings of .035% in 2012 and .043% in 2013. Since the EE rule
7 requirement is a cumulative requirement that extends to the year 2020, the difference between the
8 EE requirement and what the Cooperative has achieved will accumulate in each year thereafter
9 until the year 2020.

10 Based on the almost 20 years of having an active and effective DSM/EE program, the
11 Cooperative in its 2012-2013 plan proposed an EE goal, budget and surcharge that it believes is
12 cost effective and appropriate for its members and service area. The Cooperative has included
13 EE programs that have proven to be cost effective is not aware of any other EE programs that
14 could be adopted in a cost effective manner to meet the EE requirements.

15 Simply increasing the amount of the surcharge to increase the Cooperative's budget will
16 also not in itself insure compliance with the EE standard due to the fact that all EE programs are
17 voluntary. The Cooperative believes its proposed EE budget and surcharge are appropriate for its
18 members. Substantial increases to the Cooperative's proposed budget and surcharge would be
19 necessary to achieve further EE savings. Such increases are not cost effective at this point in time
20 and will result in a higher financial burden for the Cooperative's members at a time when the local
21 economy has not recovered from a recession.

22 According to statements made by ACC Staff at the July 18, 2012 Open Meeting, the
23 Cooperative will be in non-compliance with EE rules if a waiver is not granted and potentially
24 subject to future sanctions by the Commission. The Commission could grant the Cooperative a
25 partial waiver for the 2011, 2012 and 2013 EE requirements. However, without EE programs that
26 can be used to meet the EE rule requirements in a cost effective manner, the Cooperative will be
27

1 not be able to catch-up with the EE requirements and will be placed in a position where it will
2 need to file for waivers each time it files an EE plan.

3 As a condition of receiving a waiver from the cumulative EE requirement, the Cooperative
4 will agree to file a biannual EE plan in compliance with the EE Rules that will contain EE goals, a
5 budget and a surcharge that is appropriate for its members and service area. Commission Staff,
6 other interested parties and member/customers would be able to provide comments and
7 recommendations on the Cooperative's plan as a part of the Commission approval process. As
8 new EE programs and technologies become available, these can be added to the Cooperative's
9 plan. With these conditions, the waiver granted to the Cooperative will be similar to the provision
10 that the ACC granted the cooperatives under the Renewable Energy Standard and Tariff ("REST")
11 rules.

12
13
14 RESPECTFULLY SUBMITTED this 2nd day of August 2012.

15 SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.

16
17 By  _____

18 Jack Blair

19 Chief Member Services Officer
20
21
22

23 Original and 13 copies of the foregoing
24 filed this 2nd day of August 2012 with:

25 Docket Control
26 Arizona Corporation Commission
27 1200 West Washington Street
Phoenix, Arizona 85007